THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) 15.

(b) About 60 per cent of the applications were disposed of within the time limit of 90 days.

(c) Every effort is made to dispose of licensing applications within the prescribed time limits.

**Improvement in the functioning of public sector undertakings**

729. SHRI CHITTA BASU: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have since formulated any action plan for the overall improvement in the functioning of the public sector undertakings; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) For improving the performance of various public sector undertakings whose problems differ widely, the Government have taken various steps which are detailed at page-179 of Volume-1 of the Public Enterprises Survey 1986-87 placed on the Table of the House on 25th February, 1988.

**Bengal Potteries**

730. SHRI CHITTA BASU: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to rescind the denotification order for the Bengal Potteries and nationalise it, immediately; and

(b) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) The Government of India considered various alternatives for the revival of Messrs Bengal Potteries Ltd., but found that none of them was feasible as the unit could not be made viable with the normal set of reliefs and concessions. The Government of India therefore decided to denotify the unit. The Calcutta High Court was informed of the decision of the Central Government and was requested to direct the Official Liquidator to resume winding up proceedings in relation to the said industrial undertaking. However, Bengal Potteries Workers and Staff Unions and Others filed a writ petition before the Calcutta High Court and the High Court have vide their order dated 30.10.87 stayed the implementation of the Central Government's decision until further orders. Since then, the matter is sub-judice.

**Autonomy to public sector undertakings**

731. PROF. C. LAKSHMANNA: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are considering to grant more autonomy to public sector undertakings;

(b) if so, what are the measures by which Government propose to do so;

(c) whether Government have worked out any time schedule for the grant of greater autonomy to these undertakings; and

(d) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (d) Government is committed to enhance the autonomy of public sector undertakings and make them accountable for results. Delegation of enhance financial powers to the Boards of

Public Sector Undertakings, longer tenure to Chief Executives and Functional Directors, reduction in the number of Government Directors on the Boards of Public Sector Undertakings and signing of Memoranda of Understandings are some of the measures Government have taken in this regard. As granting more autonomy is a continuous process, no time schedule can be laid down for the same.

**Setting up of a tyre factory in Andhra Pradesh**

732. PROF. C. LAKSHMANNA: Will the Minister of INDUSTRY be pleased to state:

(a) whether a proposal for setting up of a tyre factory at Mangalagiri in Guntur district of Andhra Pradesh is pending with the Central Government for clearance;

(b) if so, what are the reasons for undue delay in granting the necessary licence and permission for setting up the factory; and

(c) whether Government propose to consider the expeditious clearance of this project in view of the increased demand for tyres in the transport sector?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c) No, Sir. The Central Government have issued a letter of intent in favour of M|s. Andhra Pradesh Automobile Tyres and Tubes, which is a joint venture of Andhra Pradesh Industrial Development Corporation and Andhra Pradesh State Road Transport Corporation, for production of ten lakh automobile tyres and tubes each per annum at Mangalagiri on 5.2.1985. The validity period of the letter of intent has been extended up to February 1989. It is for M|s. Andhra Pradesh Automobile Tyres and Tubes to take further steps for expeditious implementation of the project.

**Financial crisis in small paper units**

733. SHRI B. SATYANARAYAN REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that small paper industry units are facing a severe financial crisis and 80 out of a total 270 such units have already been closed down and many units are on verge of closure;

(b) if so, what are the details thereof and what action plan and measures have been taken by Government to avert the growing sickness in the industry; and

(c) whether Government would also consider to draw an action plan and create a special paper industry fund on terms similar to the Jute and Textile industries to avoid the growing sickness in this industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) 67 units manufacturing paper and paperboard on the rolls of Directorate General of Technical Development have not reported production for the last two years. Most of these are small paper mills using mainly non-conventional raw materials such as waste paper and agricultural residues.

(b) and (c) The problems of the paper industry are kept in view while formulating policies and programmes for the development of the paper industry from time to time. Various reliefs and concessions have been extended to enable the paper industry in general to improve capacity utilisation and its financial viability. Among them, the following reliefs and concessions are expected to directly benefit at the small paper mills to a large extent:—

(i) Import of pulp and waste paper have been placed on OGL. Import of pulp is allowed free of custom levies.